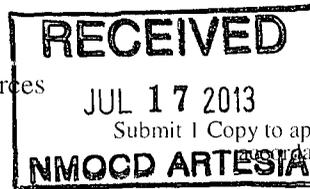


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised August 8, 2011

Release Notification and Corrective Action

njmw 1320031699

OPERATOR

Initial Report Final Report

Name of Company SW Royalties 21355	Contact Luis Gonzalez
Address 6 Desta Dr Suite 2100, Midland, TX 79705	Telephone No. 432-682-6324
Facility Name Wilderspin #2	Facility Type Oil Well

Surface Owner BLM	Mineral Owner	API No. 30-015-25051
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	11	21S	27E					Eddy

Latitude 32.49987 Longitude -104.15523

NATURE OF RELEASE

Type of Release 2 Bbls Oil 48 Bbls Water	Volume of Release 50 bbls	Volume Recovered 30 bbls Water 1 bbl Oil
Source of Release Flow Line Failure	Date and Hour of Occurrence 16 July 13	Date and Hour of Discovery 16 July 13 0800hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NM OCD & Jim Amos, BLM	
By Whom? Harol Creech	Date and Hour July 16, 2013 ~ 1000hrs	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
A poly flow line developed a pin hole releasing fluids on the edge of the lease road and the adjacent sand dunes, affecting an area approximately 100' x 40'. Upon discovery, the well was shut in and the flow line repaired. Met with Jim Amos on the spill site and discussed issues of compliance and remedial work to be performed. Hungry Horse, LLC will conduct the remediation and submit closing documents.

Describe Area Affected and Cleanup Action Taken.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Luis Gonzalez</i>	OIL CONSERVATION DIVISION	
Printed Name: Luis Gonzalez	Approved by Environmental Specialist: Signed By <i>Mike Bratcher</i>	JUL 19 2013
Title: Environmental Regulatory Administrator	Approval Date:	Expiration Date:
E-mail Address: LGonzalez@claytonwilliams.com	Conditions of Approval: Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION	Attached <input type="checkbox"/>
Date: July 17, 2013 Phone: 432-661-4708 or 432-683-6398	PROPOSAL NO LATER THAN: August 19, 2013	

2RP-1737

Bratcher, Mike, EMNRD

From: Gonzalez, Luis <LGonzalez@claytonwilliams.com>
Sent: Wednesday, July 17, 2013 3:39 PM
To: Amos, James; Bratcher, Mike, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: 7-17-13 SW Royalties Wilderspin #2 Initial C 141
Attachments: 7-17-13 SW Royalties Wilderspin #2 Initial C 141.doc

Thanks for all your help in this matter.

Luis Gonzalez

Environmental Regulatory Adm.

Clayton Williams Energy, Inc.

Southwest Royalties, Inc.

6 Desta Drive, Suite 2100

Midland, TX 79705

432-661-4708